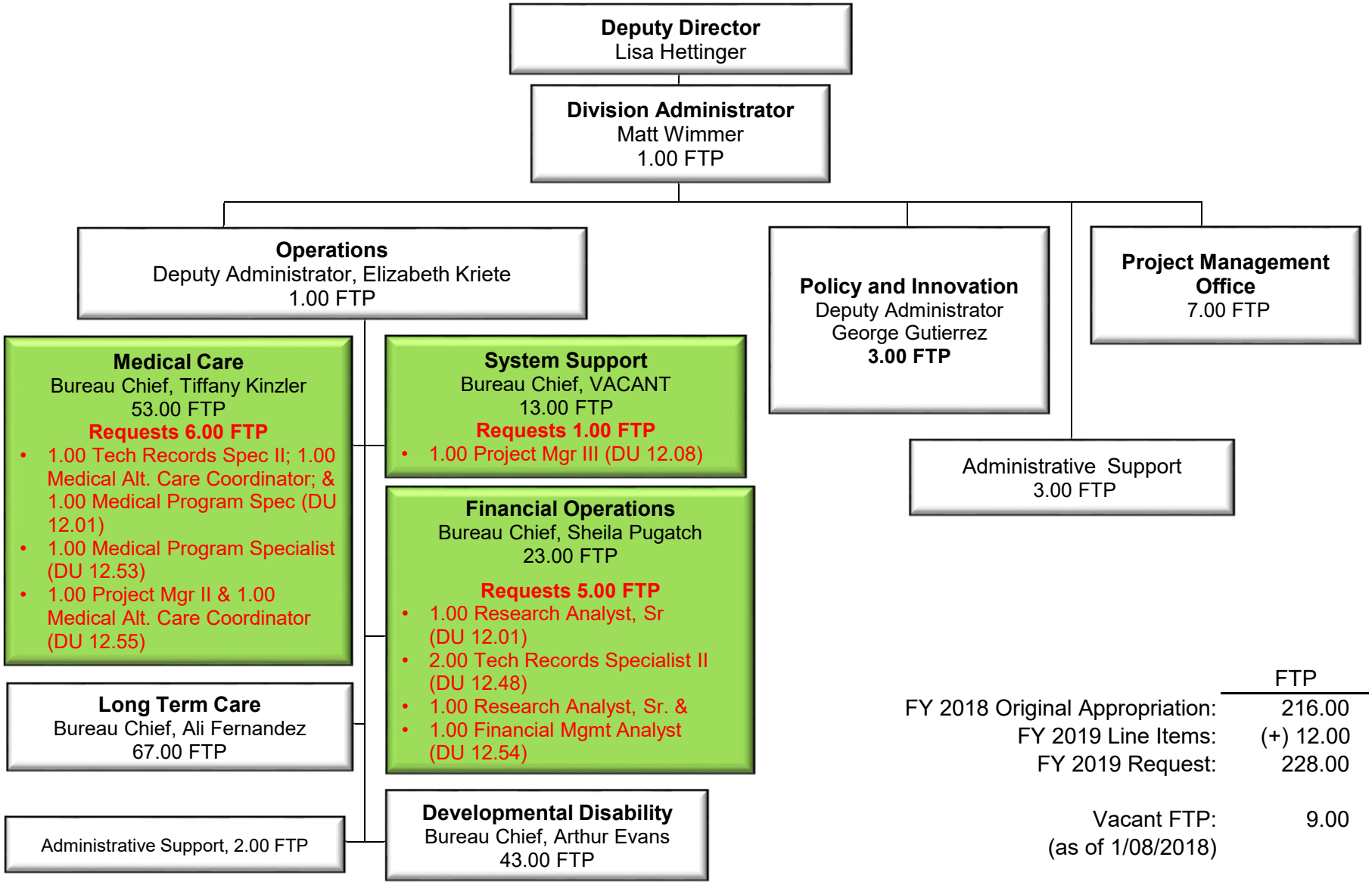
Analyst: Tatro

Division of Medicaid
Organizational Chart



	FTP
FY 2018 Original Appropriation:	216.00
FY 2019 Line Items:	(+) 12.00
FY 2019 Request:	228.00
Vacant FTP: (as of 1/08/2018)	9.00

Medicaid, Division of

Analyst: Tatro

FY 2017 Actual Expenditures by Division

			FTP	PC	OE	CO	T/B	LS	Total
0.30	**FY 2017 Original Appropriation**								
	0220-03	Gen	0.00	6,121,900	7,576,500	0	505,908,800	0	519,607,200
	0219-00	Ded	0.00	0	0	0	30,000,000	0	30,000,000
	0220-05	Ded	209.00	0	8,883,800	0	264,261,000	0	273,144,800
	0220-02	Fed	0.00	9,596,000	37,606,000	0	1,363,850,500	0	1,411,052,500
	Totals:		209.00	15,717,900	54,066,300	0	2,164,020,300	0	2,233,804,500
0.43	**Supplementals**								
	0220-03	Gen	0.00	139,500	231,300	0	0	0	370,800
	0220-05	Ded	5.00	0	0	0	10,000,000	0	10,000,000
	0220-02	Fed	0.00	139,500	231,200	0	0	0	370,700
	Totals:		5.00	279,000	462,500	0	10,000,000	0	10,741,500
0.44	**Rescissions**								
	0220-03	Gen	0.00	0	0	0	(6,461,700)	0	(6,461,700)
	0220-02	Fed	0.00	0	0	0	(16,138,300)	0	(16,138,300)
	Totals:		0.00	0	0	0	(22,600,000)	0	(22,600,000)
1.00	**FY 2017 Total Appropriation**								
	0220-03	Gen	0.00	6,261,400	7,807,800	0	499,447,100	0	513,516,300
	0219-00	Ded	0.00	0	0	0	30,000,000	0	30,000,000
	0220-05	Ded	214.00	0	8,883,800	0	274,261,000	0	283,144,800
	0220-02	Fed	0.00	9,735,500	37,837,200	0	1,347,712,200	0	1,395,284,900
	Totals:		214.00	15,996,900	54,528,800	0	2,151,420,300	0	2,221,946,000
1.21	**Net Object Transfer**								
	0220-03	Gen	0.00	(114,000)	107,800	6,200	0	0	0
	0220-02	Fed	0.00	0	(6,300)	6,300	0	0	0
	Totals:		0.00	(114,000)	101,500	12,500	0	0	0
1.32	**Net Transfer Between Programs**								
	0220-05	Ded	0.00	0	(750,000)	0	0	0	(750,000)
	Totals:		0.00	0	(750,000)	0	0	0	(750,000)
1.33	**Net Transfer Between Programs**								
	0220-02	Fed	0.00	0	0	0	0	0	0
	Totals:		0.00	0	0	0	0	0	0
1.34	**Net Transfer Between Programs**								
	0220-03	Gen	0.00	4,000	0	0	0	0	4,000
	Totals:		0.00	4,000	0	0	0	0	4,000
1.38	**Net Transfer Between Programs**								
	0220-03	Gen	0.00	(150,600)	(310,400)	0	0	0	(461,000)
	Totals:		0.00	(150,600)	(310,400)	0	0	0	(461,000)
1.39	**Net Transfer Between Programs**								
	0220-03	Gen	0.00	0	0	0	0	0	0
	0220-02	Fed	0.00	0	0	0	0	0	0
	Totals:		0.00	0	0	0	0	0	0

Medicaid, Division of

Analyst: Tatro

FY 2017 Actual Expenditures by Division

			FTP	PC	OE	CO	T/B	LS	Total
1.61	**Reverted Appropriation**								
	0220-03	Gen	0.00	0	0	0	(602,100)	0	(602,100)
	0219-00	Ded	0.00	0	0	0	(12,416,800)	0	(12,416,800)
	0220-05	Ded	0.00	0	(6,178,300)	0	(31,107,300)	0	(37,285,600)
	0220-02	Fed	0.00	(243,500)	(8,044,900)	0	(40,787,500)	0	(49,075,900)
	Totals:		0.00	(243,500)	(14,223,200)	0	(84,913,700)	0	(99,380,400)
2.00	**FY 2017 Actual Expenditures**								
	0220-03	Gen	0.00	6,000,800	7,605,200	6,200	498,845,000	0	512,457,200
	Cooperative Welfare (General)			6,000,800	7,605,200	6,200	498,845,000	0	512,457,200
	0219-00	Ded	0.00	0	0	0	17,583,200	0	17,583,200
	Hospital Assessment			0	0	0	17,583,200	0	17,583,200
	0220-05	Ded	214.00	0	1,955,500	0	243,153,700	0	245,109,200
	Cooperative Welfare (Dedicated)			0	1,955,500	0	243,153,700	0	245,109,200
	0220-02	Fed	0.00	9,492,000	29,786,000	6,300	1,306,924,700	0	1,346,209,000
	Cooperative Welfare (Federal)			9,492,000	29,786,000	6,300	1,306,924,700	0	1,346,209,000
	Totals:		214.00	15,492,800	39,346,700	12,500	2,066,506,600	0	2,121,358,600

Difference: Actual Expenditures minus Total Appropriation

0220-03	Gen	(260,600)	(202,600)	6,200	(602,100)	0	(1,059,100)
Cooperative Welfare (General)		(4.2%)	(2.6%)	N/A	(0.1%)	N/A	(0.2%)
0219-00	Ded	0	0	0	(12,416,800)	0	(12,416,800)
Hospital Assessment		N/A	N/A	N/A	(41.4%)	N/A	(41.4%)
0220-05	Ded	0	(6,928,300)	0	(31,107,300)	0	(38,035,600)
Cooperative Welfare (Dedicated)		N/A	(78.0%)	N/A	(11.3%)	N/A	(13.4%)
0220-02	Fed	(243,500)	(8,051,200)	6,300	(40,787,500)	0	(49,075,900)
Cooperative Welfare (Federal)		(2.5%)	(21.3%)	N/A	(3.0%)	N/A	(3.5%)
Difference From Total Approp		**(504,100)**	**(15,182,100)**	**12,500**	**(84,913,700)**	**0**	**(100,587,400)**
Percent Diff From Total Approp		**(3.2%)**	**(27.8%)**	**N/A**	**(3.9%)**	**N/A**	**(4.5%)**

FORM B11: REVENUE

Agency/Department: Department of Health & Welfare
Program (If applicable) Medical Assistance Services

Request for Fiscal Year: 2019
Agency Number: 270
Budget Unit (If Applicable): HWIA/B/C/D
Function/Activity Number (If Applicable): 40/41/42/43

Original Request Date: September 1, 2017
Revision Request Date:

Fund No.	Fund Detail No.	Fund Name	Significant Assumption Number	Summary Object Code	Revenue Source Description -Summary Level	FY 2015 Actual Revenue	FY 2016 Actual Revenue	FY 2017 Actual Revenue	FY 2018 Estimated Revenue	FY 2019 Estimated Revenue
0220	05	Receipts		1556	Individual Payments	24,800	64,600	56,800	48,700	52,800
				1559	Medicaid Payments	216,581,000	229,694,700	227,612,300	224,406,400	216,659,900
				1760	Reproduction and Xeroxing	0	1,100	0	0	0
				2061	Medicaid TPL	(118,300)	(158,500)	(116,200)	(131,000)	(123,600)
				2063	Overpayment Fraud	27,600	13,000	15,300	18,600	17,000
				2064	Overpayment Non-Fraud	40,100	31,400	89,500	53,700	71,600
				2240	All Other Cities & Counties	1,462,200	3,104,300	1,439,200	2,001,900	1,720,600
				2250	Medicaid - School District Match	9,481,800	10,776,500	9,855,700	12,700,000	12,700,000
				2515	Interest Income	171,800	598,500	64,000	67,200	67,200
				3635	Refunds-Reimbursements (Prior Year Expenditures)	853,500	0	0	0	0
				3690	Other	37,700	2,700	9,900	10,400	10,400
				3692	Retained Receipts	1,659,000	1,303,000	9,600	10,100	10,100
				3694	Penalties	34,800	36,700	500	500	500
0220	**05**	**Receipts**		**FUND TOTAL**		**$230,256,000**	**$245,468,000**	**$239,036,600**	**$239,186,500**	**$231,186,500**
0220	02	Federal Funds			State Innovation Model (20600C)	0	0	0	0	0
					Money Follows the Person (20500C-20514C)	2,346,600	2,068,700	3,219,900	3,380,900	3,482,300
					CHIP Performance Bonus (20600C)	237,500	0	0	0	0
					Real Choice Systems (20700C)	0	(146,400)	0	0	0
					CHIPRA-CHIC (20900N)	399,700	260,200	0	0	0
					Medicaid Title 19 Admin	38,631,300	34,099,300	38,354,600	43,865,100	45,181,100
					Medicaid Title 21 Admin	1,026,300	1,298,800	1,534,400	1,611,100	1,659,400
					Medicaid Title 19 MAP	1,183,886,000	1,197,747,200	1,238,124,400	1,377,183,100	1,414,373,000
					Medicaid Title 21 MAP	49,811,300	74,078,800	75,940,100	79,737,100	82,129,200
0220	**02**	**Federal Funds**		**FUND TOTAL**		**$1,276,338,700**	**$1,309,406,600**	**$1,357,173,400**	**$1,505,777,300**	**$1,546,825,000**
0173	00	CHIP Premium Fund	1	2515	Interest Income	5,900	12,000	18,700	18,900	0
0173	**00**	**CHIP Premium Fund**		**FUND TOTAL**		**$5,900**	**$12,000**	**$18,700**	**$18,900**	**$0**
0219	00	Hospital Assessment Fund		0610	All Other Taxes	26,814,200	25,683,800	24,703,000	26,480,900	26,480,400
				2515	Interest Income	(18,300)	16,000	48,900	49,400	49,900
0219	**00**	**Hospital Assessment Fund**		**FUND TOTAL**		**$26,795,900**	**$25,699,800**	**$24,751,900**	**$26,530,300**	**$26,530,300**
				GRAND TOTAL		**$1,533,396,500**	**$1,580,586,400**	**$1,620,980,600**	**$1,771,513,000**	**$1,804,541,800**

SIGNIFICANT ASSUMPTIONS

Fund No.	Fund Detail No.	Fund Name	Significant Assumption Number	Provide Details for any Significant Assumptions Listed	FY 2019 Estimated Impact
0173	00	CHIP Premium Fund	1	The Medicaid program will lose access to this dedicated funding stream when the tax descibed in Idaho Code 41-406 sunsets on 10/1/2015.	$0
					$0
					$0
					$0

FORM B12: ANALYSIS OF FUND BALANCES — Request for Fiscal Year : 2019

Agency/Department: Health and Welfare — Agency Number: 270

Original Request Date: September 1, 2017 or Revision Request Date: — Page 2 of 14

Sources and Uses: See Below

FUND NAME:	CHIP Premium Fund	FUND CODE:	0173	FY 2015 Actual	FY 2016 Actual	FY 2017 Actual	FY 2018 Estimate	FY 2019 Estimate
1. Beginning Free Fund Balance				**4,058,600**	**3,450,200**	**2,183,700**	**2,202,400**	**0**
2. Encumbrances as of July 1				0	0	0	0	0
2a. Reappropriation (Legislative Carryover)				NA	0	0	0	0
3. Beginning Cash Balance				**4,058,600**	**3,450,200**	**2,183,700**	**2,202,400**	**0**
4. Revenues (from Form B-11)				5,900	11,900	18,700	18,900	0
5. Non-Revenue Receipts and Other Adjustments		Suspense, borrowing limit		0	0	0	0	0
Transfers in from (Fund Title):	Department of Insurance	Fund or Reference:	0229 10	3,217,500	5,600	0	0	0
Transfers in from (Fund Title):		Fund or Reference:		0	0	0	0	0
Transfers in from (Fund Title):		Fund or Reference:		0	0	0	0	0
8. Total Available for Year				**7,282,000**	**3,467,700**	**2,202,400**	**2,221,300**	**0**
9. Statutory Transfers Out:	General Fund	Fund or Reference:	0001	0	0	0	0	0
10. Operating Transfers Out:		Fund or Reference:		0	0	0	0	0
11. Non-Expenditure Disbursements and Other Adjustments		Refunds, Clearing, P-card pymts		0	0	0	0	0
12. Cash Expenditures for Prior Year Encumbrances				0	0	0	0	0
13. Original Appropriation				*3,842,300*	*1,074,300*	*0*	*2,273,700*	*0*
14. Prior Year Reappropriations, Supplementals, Rescissions				*0*	*216,000*	*0*	*0*	*0*
15. Non-cogs, Receipts to Appropriation, etc				*0*	*0*	*0*	*0*	*0*
16. Reversions				*(10,500)*	*(6,300)*	*0*	*(52,400)*	*0*
17.Current Year Reappropriation				*0*	*0*	*0*	*0*	*0*
18. Reserve for Current Year Encumbrances				*0*	*0*	*0*	*0*	*0*
19. Current Year Cash Expenditures				3,831,800	1,284,000	0	2,221,300	0
19a. Budgetary Basis Expenditures (CY Cash Exp + CY Enc)				**3,831,800**	**1,284,000**	**0**	**2,221,300**	**0**
20. Ending Cash Balance				**3,450,200**	**2,183,700**	**2,202,400**	**0**	**0**
21. Prior Year Encumbrances as of June 30				0	0	0	0	0
22. Current Year Encumbrances as of June 30				0	0	0	0	0
22a. Current Year Reappropriation				0	0	0	0	0
23. Borrowing Limit				0	0	0	0	0
24. Ending Free Fund Balance				**3,450,200**	**2,183,700**	**2,202,400**	**0**	**0**
24a. Investments Direct by Agency (GL 1203)				0	0	0	0	0
24b. Ending Free Fund Balance Including Direct Investments				**3,450,200**	**2,183,700**	**2,202,400**	**0**	**0**
25. Outstanding Loans (if this fund is part of a loan program)								

Note:

The Medicaid program will lose access to this dedicated funding stream when the tax descibed in Idaho Code 41-406 sunsets on 10/1/2015.

Sources: (2) (a) There is hereby created and established in the state treasury a fund to be known as the "Idaho health insurance access card fund." Moneys in the fund shall be maintained in three (3) subaccounts, identified respectively as the "CHIP Plan B subaccount," the "children's access card program subaccount" and the "small business health insurance pilot program subaccount." Appropriations, matching federal funds, grants, donations and moneys from other sources shall be paid into the fund. The department shall administer the fund. Any interest earned on the investment of idle moneys in the fund shall be returned to and deposited in the fund. (b) Moneys in the CHIP Plan B subaccount, the children's access card program subaccount and the small business health insurance pilot program subaccount shall be expended pursuant to appropriation for the payment of benefits and capped administrative costs of the department. Idaho Code 56-242

Uses: 56-237. PURPOSE. The purpose and intent of this act is to promote the availability of health insurance to children and families and to adults who are employed by small businesses in Idaho and their dependent spouses whose families' gross incomes fall within one hundred eighty-five percent (185%) of the federal poverty guidelines.

FORM B12: ANALYSIS OF FUND BALANCES — Request for Fiscal Year : 2019

Agency/Department: Health and Welfare — Agency Number: 270

Original Request Date: September 1, 2017 or Revision Request Date: — Page 10 of 14

Sources and Uses: See Below

FUND NAME:	Hospital Assessment Fund	FUND CODE:	0219	FY 2015 Actual	FY 2016 Actual	FY 2017 Actual	FY 2018 Estimate	FY 2019 Estimate
1. Beginning Free Fund Balance				**13,100**	**0**	**4,900**	**7,173,600**	**0**
2. Encumbrances as of July 1				0	0	0	0	0
2a. Reappropriation (Legislative Carryover)				NA	0	0	0	0
3. Beginning Cash Balance				**13,100**	**0**	**4,900**	**7,173,600**	**0**
4. Revenues (from Form B-11)				26,795,800	25,699,800	24,751,900	26,530,300	26,530,300
5. Non-Revenue Receipts and Other Adjustments	Suspense, borrowing limit			0	0	0	0	0
Transfers in from (Fund Title):	Fund or Reference:			0	0	0	0	0
Transfers in from (Fund Title):	Fund or Reference:			0	0	0	0	0
Transfers in from (Fund Title):	Fund or Reference:			0	0	0	0	0
8. Total Available for Year				**26,808,900**	**25,699,800**	**24,756,800**	**33,703,900**	**26,530,300**
9. Statutory Transfers Out:	Fund or Reference:			0	0	0	0	0
10. Operating Transfers Out:	Fund or Reference:			0	0	0	0	0
11. Non-Expenditure Disbursements and Other Adjustments	Refunds, Clearing, P-card pymts			0	0	0	0	0
12. Cash Expenditures for Prior Year Encumbrances				0	0	0	0	0
13. Original Appropriation				*30,000,000*	*30,000,000*	*30,000,000*	*30,000,000*	*30,000,000*
14. Prior Year Reappropriations, Supplementals, Rescissions				*0*	*0*	*0*	*7,671,900*	*0*
15. Non-cogs, Receipts to Appropriation, etc				*0*	*0*	*0*	*0*	*0*
16. Reversions				*(3,191,100)*	*(4,305,100)*	*(12,416,800)*	*(3,968,000)*	*(3,469,700)*
17.Current Year Reappropriation				*0*	*0*	*0*	*0*	*0*
18. Reserve for Current Year Encumbrances				*0*	*0*	*0*	*0*	*0*
19. Current Year Cash Expenditures				26,808,900	25,694,900	17,583,200	33,703,900	26,530,300
19a. Budgetary Basis Expenditures (CY Cash Exp + CY Enc)				**26,808,900**	**25,694,900**	**17,583,200**	**33,703,900**	**26,530,300**
20. Ending Cash Balance				**0**	**4,900**	**7,173,600**	**0**	**0**
21. Prior Year Encumbrances as of June 30				0	0	0	0	0
22. Current Year Encumbrances as of June 30				0	0	0	0	0
22a. Current Year Reappropriation				0	0	0	0	0
23. Borrowing Limit				0	0	0	0	0
24. Ending Free Fund Balance				**0**	**4,900**	**7,173,600**	**0**	**0**
24a. Investments Direct by Agency (GL 1203)				0	0	0	0	0
24b. Ending Free Fund Balance Including Direct Investments				**0**	**4,900**	**7,173,600**	**0**	**0**
25. Outstanding Loans (if this fund is part of a loan program)								

Note:

Sources: 56-1403. Hospital assessment fund established.

(1) There is hereby created in the office of the state treasurer a dedicated fund to be known as the hospital assessment fund, hereinafter "fund" to be administered by the department of health and welfare, hereinafter "department." The state treasurer shall invest idle moneys in the fund and any interest received on those investments shall be returned to the fund.

(2) Moneys in the fund shall consist of:

(a) All moneys collected or received by the department from hospital assessments required by this chapter;

(b) All federal matching funds received by the department as a result of expenditures made by the department that are attributable to moneys deposited in the fund;
(c) Any interest or penalties levied in conjunction with the administration of this chapter; and
(d) Any appropriations, federal funds, donations, gifts or moneys from any other sources.

56-1504.nursing facility assessment fund.
(1) There is hereby created in the office of the state treasurer a dedicated fund to be known as the nursing facility assessment fund, hereinafter the "fund," to be administered by the department. The state treasurer shall invest idle moneys in the fund and any interest received on those investments shall be returned to the fund.
(2) Moneys in the fund shall consist of:
(a) All moneys collected or received by the department from nursing facility assessments required by this chapter;
(b) All federal matching funds received by the department as a result of expenditures made by the department that are attributable to moneys deposited in the fund;
(c) Any interest or penalties levied in conjunction with the administration of this chapter; and
(d) Any appropriations, federal funds, donations, gifts or moneys from any other sources.

Uses:

56-1401. Short title -- Legislative intent.
(1) This chapter shall be known and may be cited as the "Idaho Hospital Assessment Act."
(2) It is the intent of the legislature to encourage the maximization of financial resources eligible and available for medicaid services by establishing a fund within the Idaho department of health and welfare to receive private hospital assessments to use in securing federal matching funds under federally prescribed upper payment limit and disproportionate share hospital programs and to maximize reimbursement for allowable costs available through the state medicaid plan.
(3) It is also the intent of the legislature to assess private hospitals to maintain adequate state trustee and benefit funds.

56-1502.Legislative intent. It is the intent of the legislature to encourage the maximization of financial resources eligible and available for medicaid services by establishing a fund within the Idaho department of health and welfare to receive nursing facility assessments to use in securing federal matching funds under federally prescribed programs available through the state medicaid plan.

56-1403(3) The fund is created for the purpose of receiving moneys in accordance with this section and section 56-1511, Idaho Code. Collected assessment funds shall be used to secure federal matching funds available through the state medicaid plan, which funds shall be used to make medicaid payments for nursing facility services which equal or exceed the amount of nursing facility medicaid rates, in the aggregate, as calculated in accordance with the approved state medicaid plan in effect on June 30, 2009. The fund shall be used exclusively for the following purposes:
(a) To pay administrative expenses incurred by the department or its agent in performing the activities authorized by this chapter, provided that such expenses shall not exceed a total of one percent (1%) of the aggregate assessment funds collected for the prior fiscal year.
(b) To reimburse the medicaid share of the assessment as a pass-through.
(c) To, at a minimum, make nursing facility adjustment payments that restore any rate reductions, in the aggregate, for the state fiscal years 2010 and 2011.
(d) To increase nursing facility payments to fund covered services to medicaid beneficiaries within medicare upper payment limits, as negotiated with the department.
(e) To repay the federal government any excess payments made to nursing facilities if the state plan, once approved by CMS, is subsequently disapproved for any reason, and after the state has appealed the findings. Nursing facilities shall refund the excess payments in question to the assessment fund. The state, in turn, shall return funds to both the federal government and nursing facility providers in the same proportion as the original financing. Individual nursing facilities shall be reimbursed based on the proportion of the individual nursing facility's assessment to the total assessment paid by nursing facilities. If a nursing facility is unable to refund payments, the state shall develop a payment plan and deduct moneys from future medicaid payments. The state will refund the federal government for the federal share of these overpayments.
(f) To make refunds to nursing facilities pursuant to section 56-1507, Idaho Code.

Division of Medicaid

FY 2018 JFAC Action

	FTP	Gen	Ded	Fed	Total
FY 2017 Original Appropriation	**209.00**	**519,607,200**	**303,144,800**	**1,411,052,500**	**2,233,804,500**
Supplementals					
1. KW Lawsuit Compliance	2.00	186,600	0	186,600	373,200
2. Home and Community Based Services	3.00	84,200	0	84,100	168,300
5. MMIS Contract Operations: T-MSIS	0.00	0	0	0	0
7. Evaluation of Inpatient Hospital Svcs	0.00	0	0	0	0
8. Non-Emergency Medical Transportation	0.00	100,000	0	100,000	200,000
9. Additional Receipt Authority	0.00	0	10,000,000	0	10,000,000
Rescissions					
1. Hospital Cost Settlements	0.00	(6,063,100)	0	(15,136,900)	(21,200,000)
2. Rescission	0.00	(398,600)	0	(1,001,400)	(1,400,000)
FY 2017 Total Appropriation	**214.00**	**513,516,300**	**313,144,800**	**1,395,284,900**	**2,221,946,000**
Noncognizable Funds and Transfers	0.00	114,000	0	0	114,000
FY 2017 Estimated Expenditures	**214.00**	**513,630,300**	**313,144,800**	**1,395,284,900**	**2,222,060,000**
Removal of Onetime Expenditures	0.00	(392,300)	0	(1,295,400)	(1,687,700)
Base Adjustments	0.00	2,760,100	0	7,125,900	9,886,000
FY 2018 Base	**214.00**	**515,998,100**	**313,144,800**	**1,401,115,400**	**2,230,258,300**
Benefit Costs	0.00	62,200	0	97,600	159,800
Statewide Cost Allocation	0.00	1,400	0	1,500	2,900
Annualizations	0.00	47,200	0	47,200	94,400
Change in Employee Compensation	0.00	152,400	0	236,500	388,900
Nondiscretionary Adjustments	0.00	15,565,500	14,925,500	23,235,600	53,726,600
FY 2018 Program Maintenance	**214.00**	**531,826,800**	**328,070,300**	**1,424,733,800**	**2,284,630,900**
Line Items					
2. Jeff D Settlement	0.00	0	0	0	0
5. MMIS Contract Operations: T-MSIS	0.00	65,400	0	588,700	654,100
7. Provider Enrollment Improvements	0.00	0	0	0	0
12. Financial Manager Position	0.00	0	0	0	0
14. Estate Recovery Position	1.00	26,000	0	26,100	52,100
28. EPSDT Requests - New Position	1.00	34,500	0	34,500	69,000
49. Remove Current Funding for HQPC	0.00	(50,000)	0	(50,000)	(100,000)
Cybersecurity Insurance	0.00	1,200	0	1,300	2,500
FY 2018 Total	**216.00**	**531,903,900**	**328,070,300**	**1,425,334,400**	**2,285,308,600**
Chg from FY 2017 Orig Approp.	7.00	12,296,700	24,925,500	14,281,900	51,504,100
% Chg from FY 2017 Orig Approp.	3.3%	2.4%	8.2%	1.0%	2.3%

Acronym Key

T-MSIS: Transformed Medicaid Statistical Information System
MMIS: Medicaid Management Information System
EPSDT: Early and Periodic Screening, Diagnostic and Treatment
HQPC: Health Quality Planning Commission

SENATE BILL NO. 1174

SECTION 6. MEDICAID TRACKING REPORT. The Department of Health and Welfare, Medicaid Division and Indirect Support Services Division, shall deliver on a monthly basis to the Legislative Services Office and the Division of Financial Management a report that compares the Medicaid budget as appropriated, distributed by month for the year, to actual expenditures and remaining forecasted expenditures for the year. The report shall also include a forecast, updated monthly, of the next fiscal year's anticipated trustee and benefit expenditures. The format of the report, and the information included therein, shall be determined by the Legislative Services Office and the Division of Financial Management.

SECTION 8. MEDICAID MANAGED CARE IMPLEMENTATION. The Medicaid Division shall provide reports biannually to the Legislative Services Office and the Division of Financial Management on progress in integrating managed care approaches into the state Medicaid system. The format of the report and the information contained therein, shall be determined by the Legislative Services Office and the Division of Financial Management. The first report shall be submitted no later than December 31, 2017; and the second report shall be submitted no later than June 30, 2018.

SECTION 9. REPORT ON FLEXIBLE RECEIPT AUTHORITY. The Medicaid Division shall provide reports annually, at the time of budget submission, to the Legislative Services Office and the Division of Financial Management, that describe the need for having additional receipt authority built into the budget. The additional dedicated fund appropriation is not to be considered when calculating the estimated need for ongoing Medicaid costs, but rather to be held in reserve and used in lieu of General Fund moneys when non-cognizable receipts are received by the department.

SECTION 10. NON-EMERGENCY MEDICAL TRANSPORTATION. It is the intent of the Legislature that of the moneys appropriated in Section 1 of this act, $200,000 shall be used solely for purposes of improving the Non-Emergency Medical Transportation (NEMT) program. This shall include, but is not limited to, the hiring of an outside entity to conduct an audit of the NEMT program and to develop and implement a training program that meets the needs of all provider types, the contracted broker, the Department of Health and Welfare, and most importantly the Idahoans who are participating in this program. The training program is to be developed in collaboration with relevant stakeholder groups. In addition, no later than December 30, 2017, and again on June 30, 2018, the Department of Health and Welfare, Division of Medicaid, shall provide to the Legislative Services Office and the Division of Financial Management a report that includes details on the implementation of the audit, training, and any other steps that have been taken by the department to improve the NEMT program. Any unexpended and unencumbered funds that have been appropriated for this purpose are to be reverted at the end of the fiscal year, or as soon thereafter as practicable.

All reports were provided through email on January 29, 2018 and will be posted on the Session Record.

Division of Medicaid

Analyst: Tatro

Historical Summary

OPERATING BUDGET	FY 2017 Total App	FY 2017 Actual	FY 2018 Approp	FY 2019 Request	*FY 2019 Gov Rec*
BY PROGRAM					
Medicaid Admin & Medical Mgmt	72,452,900	55,759,200	72,088,900	80,588,900	*79,790,900*
Coordinated Medicaid Plan	556,231,600	573,995,700	565,879,400	588,094,800	*588,094,800*
Enhanced Medicaid Plan	918,600,800	844,132,900	958,648,700	1,152,517,000	*1,145,314,500*
Basic Medicaid Plan	674,660,700	647,470,800	688,691,600	727,365,100	*727,365,100*
Total:	**2,221,946,000**	**2,121,358,600**	**2,285,308,600**	**2,548,565,800**	***2,540,565,300***
BY FUND CATEGORY					
General	513,516,300	512,457,200	531,903,900	614,861,700	*600,967,600*
Dedicated	313,144,800	262,692,400	328,070,300	303,070,300	*314,499,000*
Federal	1,395,284,900	1,346,209,000	1,425,334,400	1,630,633,800	*1,625,098,700*
Total:	**2,221,946,000**	**2,121,358,600**	**2,285,308,600**	**2,548,565,800**	***2,540,565,300***
Percent Change:		(4.5%)	7.7%	11.5%	*11.2%*
BY OBJECT OF EXPENDITURE					
Personnel Costs	15,996,900	15,492,800	16,286,500	16,962,000	*16,697,300*
Operating Expenditures	54,528,800	39,346,700	53,875,200	61,699,700	*61,166,400*
Capital Outlay	0	12,500	0	0	*0*
Trustee/Benefit	2,151,420,300	2,066,506,600	2,215,146,900	2,469,904,100	*2,462,701,600*
Total:	**2,221,946,000**	**2,121,358,600**	**2,285,308,600**	**2,548,565,800**	***2,540,565,300***
Full-Time Positions (FTP)	214.00	214.00	216.00	228.00	*220.00*

Division Description

The Division of Medicaid is responsible for administering plans to finance and deliver health services for people at risk due to low income and other factors, such as youth, old age, pregnancy, or disability. Services are provided pursuant to state and federal Medicaid requirements. The division is organized into four budgeted programs.

MEDICAID ADMINISTRATION and MEDICAL MANAGEMENT: Includes expenditures for administration of a comprehensive program of medical coverage to eligible recipients in Idaho. Coverage is provided through traditional Medicaid (Title XIX), and the Children's Health Insurance Program (CHIP) (Title XXI). Administrative functions include managing provider payments, contracting with state agencies and universities for medical management, and conducting drug utilization reviews and individual assessments. Prior to FY 2007, all Medicaid expenditures were reported under the Medical Assistance Services Program. The program has been renamed Medicaid Administration and Medical Management.

COORDINATED MEDICAID PLAN: Beneficiaries covered in this plan primarily consist of those who are age 65 and older. All individuals dually eligible for Medicaid and Medicare, regardless of age, may elect to receive coverage under this plan.

ENHANCED MEDICAID PLAN: Medicaid-eligible group primarily made up of children and adults (non-elderly) with disabilities, or other individuals with special health needs, such as foster children. Individuals included in this plan, may elect to remain in this plan after they turn 65 years old.

BASIC MEDICAID PLAN: Medicaid-eligible group primarily consisting of Pregnant Women and Children (PWC), Family Medicaid and Idaho's Children Health Insurance Program (CHIP). These populations are assumed to be in average health, with average levels of disease.

Division of Medicaid

Analyst: Tatro

Agency Profile

Medicaid Plans: Caseloads and Trustee and Benefit Payments (All Funds)

	FY 2017 Expenditures		FY 2018 Orig Approp		FY 2019 Request	
	Amount	% of Total	Amount	% of Total	Amount	% of Total
Basic Plan						
Caseload	223,433	74.2%	226,915	74.5%	233,481	74.5%
Budget	$647,470,800	31.3%	$688,691,600	31.1%	$727,365,100	29.5%
Average Case	*$2,898*		*$3,035*		*$3,115*	
Enhanced Plan						
Caseload	50,661	16.8%	50,123	16.5%	51,598	16.5%
Budget	$844,132,900	40.9%	$958,648,700	43.3%	$1,152,517,000	46.7%
Average Case	*$16,662*		*$19,126*		*$22,336*	
Coordinated Plan						
Caseload	26,924	8.9%	27,481	9.0%	28,243	9.0%
Budget	$573,995,700	27.8%	$565,879,400	25.6%	$588,094,800	23.8%
Average Case	*$21,319*		*$20,592*		*$20,823*	
Total						
Caseload	301,018	100%	304,519	100%	313,322	100%
Budget	$2,065,599,400	100%	$2,213,219,700	100%	$2,467,976,900	100%
Average Case	*$6,862*		*$7,268*		*$7,877*	

The lower report is based on paid claims. Differences between the two tables are composed of the payments for Disproportionate Share Hospital (DSH) and Upper Payment Limits (UPL), and other non-claims specific contracts.

FY 2015, FY 2016, and FY 2017, Medicaid Claims Expenditures by Service Grouping and by Per Member Per Month (PMPM)

	FY 2015	PMPM	FY 2016	PMPM	FY 2017*	PMPM
Hospital	$482,372,595	$145	$457,066,200	$133	$488,018,938	$135
Institutional Care	$201,278,668	$61	$207,097,446	$60	$223,531,543	$62
Developmental Disability Services	$213,669,636	$64	$248,718,168	$72	$262,959,990	$73
Medical (Non-Hospital)	$195,061,351	$59	$211,509,092	$61	$225,598,307	$62
Prescriptions	$174,840,333	$53	$193,006,154	$56	$206,195,751	$57
Mental Health	$144,706,801	$44	$151,760,171	$44	$151,455,967	$42
Long Term Services & Supports	$115,407,958	$35	$117,004,401	$34	$120,645,508	$33
Medicare Related	$76,544,419	$23	$86,724,719	$25	$106,181,015	$29
Durable Medical Equipment	$54,284,895	$16	$60,762,855	$18	$62,619,679	$17
Dental Services	$48,001,320	$14	$50,250,602	$15	$48,054,869	$13
School Based Services	$35,017,293	$11	$40,885,097	$12	$37,418,410	$10
Medical Transportation	$28,273,252	$9	$31,481,210	$9	$30,945,376	$9
All Other Claims	$46,702,991	$14	$47,821,305	$14	$10,896,984	$3
Total	**$1,816,161,513**	**$532**	**$1,904,087,420**	**$537**	**$1,974,522,337**	**$546**

* Medicaid held $56,329,200 in payments in FY 2017. These expenditures will appear in FY 2018.

Division of Medicaid

Analyst: Tatro

Comparative Summary

Decision Unit	Agency Request FTP	Agency Request General	Agency Request Total	Governor's Rec FTP	Governor's Rec General	Governor's Rec Total
FY 2018 Original Appropriation	**216.00**	**531,903,900**	**2,285,308,600**	***216.00***	***531,903,900***	***2,285,308,600***
1. Backfill FY 2017 Held Payments	0.00	10,701,000	56,329,200	*0.00*	*10,701,000*	*56,329,200*
2. Receipt Authority Fund Shift	0.00	7,186,200	0	*0.00*	*7,186,200*	*0*
3. KW Lawsuit Compliance	0.00	155,800	311,500	*0.00*	*155,800*	*311,500*
6. Provider Rate Incrs - Supported Living	0.00	259,500	900,000	*0.00*	*259,500*	*900,000*
7. Community-Based Personal Care Svcs	0.00	477,500	1,656,200	*0.00*	*477,500*	*1,656,200*
8. Provider-Data Software Improvements	0.00	254,100	2,541,000	*0.00*	*254,100*	*2,541,000*
FY 2018 Total Appropriation	**216.00**	**550,938,000**	**2,347,046,500**	***216.00***	***550,938,000***	***2,347,046,500***
Removal of Onetime Expenditures	0.00	(11,178,700)	(59,840,800)	*0.00*	*(11,178,700)*	*(59,840,800)*
FY 2019 Base	**216.00**	**539,759,300**	**2,287,205,700**	***216.00***	***539,759,300***	***2,287,205,700***
Benefit Costs	0.00	(121,000)	(303,400)	*0.00*	*(110,600)*	*(277,300)*
Statewide Cost Allocation	0.00	(2,300)	(4,700)	*0.00*	*(2,300)*	*(4,700)*
Annualizations	0.00	3,688,600	12,781,000	*0.00*	*3,688,600*	*12,781,000*
Change in Employee Compensation	0.00	54,400	136,300	*0.00*	*166,800*	*411,500*
Nondiscretionary Adjustments	0.00	37,998,200	132,162,600	*0.00*	*37,998,200*	*132,162,600*
FY 2019 Program Maintenance	**216.00**	**581,377,200**	**2,431,977,500**	***216.00***	***581,500,000***	***2,432,278,800***
1. Idaho Health Care Plan	4.00	29,249,600	100,779,300	*4.00*	*17,824,600*	*100,786,600*
6. MMIS Independent Verification	0.00	200,000	2,000,000	*0.00*	*200,000*	*2,000,000*
7. Jeff D Settlement Implementation	0.00	1,181,600	1,181,600	*0.00*	*1,181,600*	*1,181,600*
8. MMIS Related Staff	1.00	50,200	100,400	*0.00*	*0*	*0*
15. Provider-Data Software Improvements	0.00	293,300	2,553,000	*0.00*	*293,300*	*2,553,000*
27. Infant Toddler Early Intervention Svcs	0.00	(321,100)	(1,126,700)	*0.00*	*(321,100)*	*(1,126,700)*
33. Provider Enrollment Changes	0.00	289,200	2,892,000	*0.00*	*289,200*	*2,892,000*
38. Children's DDA Rate Change	0.00	577,200	2,000,000	*0.00*	*0*	*0*
39. Asst Living Facility - Personal Care Svcs	0.00	1,501,400	5,202,500	*0.00*	*0*	*0*
45. External Quality Review	0.00	240,000	480,000	*0.00*	*0*	*0*
48. Estate Recovery New Staff	2.00	18,200	36,400	*0.00*	*0*	*0*
53. Contract Manager Staff	1.00	46,100	172,300	*0.00*	*0*	*0*
54. Data and Financial Management Staff	2.00	72,300	144,600	*0.00*	*0*	*0*
55. Jeff D Settlement Related Staff	2.00	86,500	172,900	*0.00*	*0*	*0*
FY 2019 Total	**228.00**	**614,861,700**	**2,548,565,800**	***220.00***	***600,967,600***	***2,540,565,300***
Change from Original Appropriation	12.00	82,957,800	263,257,200	*4.00*	*69,063,700*	*255,256,700*
% Change from Original Appropriation		15.6%	11.5%		13.0%	11.2%

Division of Medicaid

Analyst: Tatro

Budget by Decision Unit	FTP	General	Dedicated	Federal	Total
FY 2018 Original Appropriation	216.00	531,903,900	328,070,300	1,425,334,400	2,285,308,600

1. Backfill FY 2017 Held Payments — **Basic, Coordinated, & Enhanced Medicaid Plans**

The department requests $56,329,200 in onetime trustee and benefit payments to cover the FY 2018 appropriation that was used for payments that were held at the end of FY 2017. The department did not receive the anticipated drug rebates that would have offset the need for a General Fund and federal fund supplemental appropriation. Further, hospital payments were higher than anticipated. Payments that were withheld at the end of FY 2017 were: Hospital claims ($11,436,600); Hospital Disproportionate Share or DSH ($26,928,400); Hospital Federal Upper Payment Limit or UPL ($5,025,500); Medicare Premiums ($9,091,200); and Magellan pharmacy claims ($3,847,500). [Onetime]

Agency Request	0.00	10,701,000	7,671,900	37,956,300	56,329,200
Governor's Recommendation	*0.00*	*10,701,000*	*7,671,900*	*37,956,300*	*56,329,200*

2. Receipt Authority Fund Shift — **Basic, Coordinated, & Enhanced Medicaid Plans**

The department requests a $25 million ongoing fund shift from dedicated funds to the General Fund ($7,186,200) and federal funds ($17,813,800). The request is made because of the decrease in cost-variances from the hospital cost settlements; Medicaid reimbursement from hospitals for services provided in Idaho is based on the actual cost of delivering care. Annual accounting audits are performed for each individual hospital and the department then reconciles previous payments to the actual cost of care through this process. Starting in FY 2015, Medicaid was required to conduct the cost settlements on an annual basis and this allowed for General Fund savings in Medicaid for the past four years. However, with more frequent audits and more accurate cost settlements, the result is that initial payments more closely reflect actual costs. [Ongoing]

Agency Request	0.00	7,186,200	(25,000,000)	17,813,800	0
Governor's Recommendation	*0.00*	*7,186,200*	*(25,000,000)*	*17,813,800*	*0*

3. KW Lawsuit Compliance — **Medicaid Administration and Medical Mgmt**

The department requests $311,500 in onetime operating expenditures to comply with requirements of the KW v Armstrong lawsuit settlement. The request is two-fold: first, the request includes $213,500 to cover the cost of hiring an independent consultant to develop a new budget methodology. The department has selected Human Services Research Institute (HSRI) to develop, test, and assist in implementation of the new methodology. The settlement agreement was reached in December 2016.

Second, the request includes $98,000 to implement training to provide due process for adult Medicaid participants with developmental disabilities who contest the department's decision at hearing. The training is to ensure participants in the adult developmental disability waiver program have competent and adequate representation in the fair hearings process as ordered by the court's decision pursuant to the settlement agreement.

The case began in January 2012 when twelve developmentally disabled (DD) Medicaid participants sued the department over changes made to their benefits. In March 2014, the federal district court granted class action status in the lawsuit, which extended the suit to approximately 3,900 participants receiving benefits under a waiver for persons with developmental disabilities. The court also issued an injunction that the Medicaid Program restore budgets for developmentally disabled waiver participants to their highest amount since 2011, until the matter is resolved in court. [Onetime]

Agency Request	0.00	155,800	0	155,700	311,500
Governor's Recommendation	*0.00*	*155,800*	*0*	*155,700*	*311,500*

Division of Medicaid

Analyst: Tatro

Budget by Decision Unit	FTP	General	Dedicated	Federal	Total

6. Provider Rate Incrs - Supported Living **Enhanced Medicaid Plan**

The department requests $5.4 million in ongoing trustee and benefit payments to provide increases for supported living rates for residential habilitation providers. The request includes $900,000 as an FY 2018 supplemental appropriation request and $4.5 million as an FY 2019 annualization. Of the total amount, $1,558,200 is from the General Fund. These rates were calculated in accordance with Section 56-118, Idaho Code, and IDAPA rules 16.03.10.037. The rate increase is anticipated to be 5% and will be distributed to 46 residential habilitation providers that serve about 1,390 adult developmentally disabled participants. Reimbursements are provided for residential supported living (outpatient) services that are delivered on an hourly or daily basis. Supported living is instructional based and the staff are teaching/assisting the individual with how to accomplish various personal needs tasks such as toileting, dressing, meal preparation, or cleaning. [Ongoing]

Agency Request	0.00	259,500	0	640,500	900,000
Governor's Recommendation	*0.00*	*259,500*	*0*	*640,500*	*900,000*

7. Community-Based Personal Care Svcs **Enhanced Medicaid Plan**

The department requests $9,937,200 in trustee and benefit payments to provide rate increases for businesses that provide community-based personal care services (PCS) for Medicaid clients. Of the total amount, $1,656,200 is requested as an FY 2018 supplemental appropriation and $8,281,000 is requested as an FY 2019 annualization. Of the total amount $2,867,400 is from the General Fund. These rates were calculated in accordance with Section 56-118, Idaho Code, and IDAPA rules 16.03.10.037. There are 276 providers throughout the state. The department notes that the average cost per day for these individuals in the community is about $17 per day, while the average cost per day at a skilled nursing facility is about $228. Personal care services are when staff are directly assisting the individual with the desired service such as toileting, dressing, meal preparation, or cleaning.

For FY 2015, the Legislature provided the most recent rate increase for these services at about $5 million. The department was able to implement 70% of those pay raises for eligible increases. This leaves about $1.5 million of previously approved rate increases for these services and, as a result, the department requests the difference. Services are budgeted in 15-minute increments, and eligible services will increase anywhere from 14% to 58% for each 15 minute increment: attendant care will increase from $3.94 to $4.49 (14%); homemaker service will increase from $3.55 to $4.16 (17%); chore service will increase from $2.64 to $4.01 (52%); companion service will increase from $3.43 to $4.16 (21%); and respite care will increase from $2.64 to $4.16 (58%). The department states that the increase is needed to retain qualified staff in the community. Finding eligible and willing workers continues to be a challenge, especially in the more rural areas. With the unemployment rate at an all-time low, workers can find employment at the same pay rate with less risk. [Ongoing]

Agency Request	0.00	477,500	0	1,178,700	1,656,200
Governor's Recommendation	*0.00*	*477,500*	*0*	*1,178,700*	*1,656,200*

Division of Medicaid

Analyst: Tatro

Budget by Decision Unit	FTP	General	Dedicated	Federal	Total
8. Provider-Data Software Improvements			**Medicaid Administration and Medical Mgmt**		

The department requests an FY 2018 supplemental appropriation of $2,541,000 in onetime operating expenditures for technology upgrades and system development. This request is two-fold and includes $2,175,000 to build the capacity for Medicaid to receive electronically transmitted clinical quality measures data directly from primary care providers. Funding will also provide support for primary care providers to connect with the Idaho Health Data Exchange (IHDE). The department states that, with better data sharing and data availability, its goal of transitioning to a value-based system of care will be seamless. This request will also support the value-based purchasing efforts that were authorized with passage of H128 of 2017, which aims to support patient-centered medical homes (PCMH), reduce healthcare costs, and improve healthcare quality. Line item 15 is being requested for the same purpose, but for $2.3 million onetime.

The second piece of the request is for $366,000 for the implementation of advanced analytics and display capabilities through a web-based Medicaid Management Information System (MMIS) portal. This technology upgrade is also intended to further the goal of transforming the state's primary care system to a PCMH and toward a value-based payment system. The department estimates that the web-based portal will provide more robust data to the primary care physicians that use the IHDE and electronic records. Line item 15 is being requested for the same purpose, but for $253,000 onetime. [Onetime]

Agency Request	0.00	254,100	0	2,286,900	2,541,000
Governor's Recommendation	*0.00*	*254,100*	*0*	*2,286,900*	*2,541,000*
FY 2018 Total Appropriation					
Agency Request	216.00	550,938,000	310,742,200	1,485,366,300	2,347,046,500
Governor's Recommendation	*216.00*	*550,938,000*	*310,742,200*	*1,485,366,300*	*2,347,046,500*

Removal of Onetime Expenditures

This decision unit removes $59,840,800 for onetime funds that were appropriated for FY 2018 line items and FY 2018 supplemental requests.

Agency Request	0.00	(11,178,700)	(7,671,900)	(40,990,200)	(59,840,800)
Governor's Recommendation	*0.00*	*(11,178,700)*	*(7,671,900)*	*(40,990,200)*	*(59,840,800)*
FY 2019 Base					
Agency Request	216.00	539,759,300	303,070,300	1,444,376,100	2,287,205,700
Governor's Recommendation	*216.00*	*539,759,300*	*303,070,300*	*1,444,376,100*	*2,287,205,700*

Current year estimated expenditures

Benefit Costs

Employer-paid benefit changes include a 14.6% reduction (or $1,910 per eligible FTP) for health insurance, bringing the total appropriation to $11,190 per FTP. Also included are a 6.8% increase for life insurance, a 5.5% increase for PERSI contributions, and adjustments to workers' compensation that vary by agency.

Agency Request	0.00	(121,000)	0	(182,400)	(303,400)

The Governor recommends $11,650 per eligible FTP for health insurance, which is a decrease of $1,450, or 11%, from the previous year; a two-month employer and employee premium holiday; and a transfer of $13.1 million from health insurance reserves to the General Fund. This recommendation also reflects the PERSI Board's decision to not increase the employer contribution for FY 2019.

Governor's Recommendation	*0.00*	*(110,600)*	*0*	*(166,700)*	*(277,300)*

Statewide Cost Allocation — **Medicaid Administration and Medical Mgmt**

This request includes adjustments to recover the cost of services provided by other agencies in accordance with federal and state guidelines on cost allocation. Risk management costs will decrease by $4,700.

Agency Request	0.00	(2,300)	0	(2,400)	(4,700)
Governor's Recommendation	*0.00*	*(2,300)*	*0*	*(2,400)*	*(4,700)*

Annualizations — **Enhanced Medicaid Plan**

The department requests an annualization of $4,500,000 for the supported living provider rate increase as requested in supplemental appropriation 6. The department also requests an annualization of $8,281,000 for the personal care services rate increase as requested in supplemental appropriation 7.

Agency Request	0.00	3,688,600	0	9,092,400	12,781,000
Governor's Recommendation	*0.00*	*3,688,600*	*0*	*9,092,400*	*12,781,000*

Division of Medicaid

Analyst: Tatro

Budget by Decision Unit	FTP	General	Dedicated	Federal	Total
Change in Employee Compensation					
For calculation purposes, agencies were directed to include the cost of a 1% salary increase for permanent and temporary employees.					
Agency Request	0.00	54,400	0	81,900	136,300
The Governor recommends a 3% increase in employee compensation, distributed on merit. He does not recommend a compensation increase for group and temporary positions. The Governor also recommends the pay structure for state employees be moved by 3% and includes $6,100 for that purpose.					
Governor's Recommendation	*0.00*	*166,800*	*0*	*244,700*	*411,500*
Nondiscretionary Adjustments					
The Division of Medicaid requests $132,162,600 in the following nondiscretionary adjustments:					
COST-BASED PRICING: Increases of $8,570,700 from the General Fund and $22,880,700 in federal funds. Medicaid reimburses certain entities such as hospitals, nursing facilities, home health, and prescription drug companies for the cost of providing the good or service. Other providers are often paid based on the established Medicaid approved rate. Cost-surveys are conducted frequently to ensure that the reimbursement amount is accurate.					
MANDATORY PRICING: Increases of $163,200 from the General Fund and $447,800 in federal funds. Mandatory pricing relates to Medicaid being required to pay for services at a federally designated rate; this includes Federally Qualified Health Centers (FQHC), Rural Health Clinics (RHC), and Indian Health Clinics (IHC).					
CASELOAD: Increases of $20,788,800 from the General Fund and $57,038,300 in federal funds. Caseload is the number of estimated new Idahoans eligible for Medicaid services.					
UTILIZATION: Increases of $5,793,300 from the General Fund and $16,479,800 in federal funds. Utilization is the estimated change for the use of services provided in Medicaid.					
FMAP ADJUSTMENT: An increase of $2,682,200 from the General Fund and a decrease of a like amount in federal funds to reflect a decrease in the blended Federal Medical Assistance Percentage (FMAP) rate, which is the federal share of eligible Medicaid payments for the majority of services provided. The rate will change from 71.17% to 71.13% for FY 2019.					
Agency Request	0.00	37,998,200	0	94,164,400	132,162,600
Governor's Recommendation	*0.00*	*37,998,200*	*0*	*94,164,400*	*132,162,600*
FY 2019 Program Maintenance					
Agency Request	216.00	581,377,200	303,070,300	1,547,530,000	2,431,977,500
Governor's Recommendation	*216.00*	*581,500,000*	*303,070,300*	*1,547,708,500*	*2,432,278,800*

Division of Medicaid

Analyst: Tatro

Budget by Decision Unit	FTP	General	Dedicated	Federal	Total

1. Idaho Health Care Plan — **Medicaid Administration & Enhanced Medicaid Plan**

The department requests $100,779,300 and 4.00 FTP ongoing to implement the Idaho Health Care Plan. This includes $269,300 in personnel costs, $510,000 in operating expenditures, and $100 million in trustee and benefit payments. The plan is contingent on the submission and approval of two federal Medicaid waivers: (1) a Section 1115 Demonstration Waiver; and (2) a Section 1332 State Innovation Waiver.

The 1115 waiver will allow low-income individuals, aged 18-65 who are not otherwise able to access affordable employer-supported coverage, and are diagnosed with an end-stage diseases or severe genetic disorders that requires ongoing complex medical management the option to enroll in Medicaid. The list of conditions that meet the requirements of the 1115 waiver are determined through the waiver application process with the Centers for Medicare and Medicaid Services (CMS). To assist with cost control, the department will implement premiums to support coverage for individuals with higher income levels. However, premiums may be waived if the individual's condition does not permit them to participate in the cost of their care. The department estimates that about 1,500 Idahoans will be eligible under this waiver. Section 1115 of the Social Security Act gives the Secretary of Health and Human Services (HHS) authority to approve experimental, pilot, or demonstration projects that promote the objectives of Medicaid. Under this waiver authority, states have flexibility to design and improve their programs as long as they meet certain requirements under the waiver demonstration authority such as: expanding eligibility, providing services not typically covered by Medicaid, or using innovative service delivery systems that improve care, increase efficiency, and reduce costs. The department will submit a waiver request to HHS to approve coverage for individuals with complex medical needs under this waiver. This program would be similar to Idaho's Breast and Cervical (Cancer) Program where eligibility is dependent on the diagnosis of the particular disease covered under the program. The Breast and Cervical Program is a state plan option that allows those with breast or cervical cancer and have an income at or below 200% of the Federal Poverty Limit (FPL) to be eligible for Medicaid coverage for the duration of their condition. By changing the payer from private insurance to Medicaid for these high cost, medically complex conditions, the overall cost for insurance premiums should decrease. The Department of Insurance estimates that individual insurance market premiums could decrease by 20% or more in calendar year 2019 as a result of more participation, which will effectively act as a Medicaid-funded cost sharing reduction.

The 1332 waiver will allow taxpayers who are legal residents with incomes less than 100% of the federal poverty limit (FPL) to enroll in the state's health insurance exchange and be eligible for an Advance [Payment of a] Premium Tax Credit (APTC). For this waiver, the Department of Insurance, in partnership with the 1115 waiver submission, will submit a request to waive a portion of Section 36B(c)(1)(B) of the IRS Code. This code section allows legal non-citizens the ability to purchase insurance and receive an APTC. The waiver would extend that definition to include US citizens who are under 100% of FPL, have taxable incomes, and are not otherwise eligible for Medicaid. This section of IRS Code was created with passage of the Patient Protection and Affordable Care Act (PPACA or ACA) because the ACA originally included a provision that all states would expand Medicaid. However, when the Supreme Court of the United States overturned that provision, it created a gap in coverage. If approved, the Department of Health and Welfare estimates that about 70% of the gap population would be eligible to purchase insurance with the assistance of an APTC.

The four requested positions will assist with waiver implementation and oversight, integration with existing Medicaid programs, data analysis and reporting requirements, and operational requirements related to enrollment. The request includes $10,000 of onetime operating expenditures for the purchase of office furniture and supplies for each FTP. This request is at the traditional Medicaid match of approximately 71% federal and 29% state funds, not at the Medicaid expansion rate of 90/10. [Ongoing and Onetime]

Agency Request	4.00	29,249,600	0	71,529,700	100,779,300
Recommended by the Governor with changes for benefits and compensation, and with 40% of the state match being recommended from the Idaho Millennium Income Fund instead of the General Fund.					
Governor's Recommendation	*4.00*	*17,824,600*	*11,428,700*	*71,533,300*	*100,786,600*

This line item is subject to passage of germane legislation

Division of Medicaid

Analyst: Tatro

Budget by Decision Unit	FTP	General	Dedicated	Federal	Total
6. MMIS Independent Verification			**Medicaid Administration and Medical Mgmt**		

The department requests $2 million onetime to pay for the Independent Verification and Validation (IVV) vendor. The IVV will provide an independent and unbiased perspective on the progress of the Medicaid Management and Information System (MMIS) development and the integrity and functionality of the system. According to 45 CFR, Section 95.626(a) an assessment for IVV analysis of a state's system development effort may be required in the case of Advanced Planning Documents (APD) that meet any of specified criteria. The department indicates that this independent verification is needed because CFR subsection 3 that indicates the need for a new project or total system redesign. The department needs to have this independent validation done for the reprocurement of the state's Medicaid Management Information System (MMIS). The MMIS consists of multiple modules including pharmacy benefit management, claims processer, decision support system, and data warehouse. Current contracts will expire in January 2018 (pharmacy) and June 2018 (all others). However, both CMS and the Idaho Division of Purchasing have supported contract extensions for an additional eight years. The department states that it "needs to be able to thoughtfully and gradually begin processes to transition to a new MMIS without undue disruption to Idaho providers." [Onetime]

Agency Request	0.00	200,000	0	1,800,000	2,000,000
Governor's Recommendation	*0.00*	*200,000*	*0*	*1,800,000*	*2,000,000*

7. Jeff D Settlement Implementation			**Enhanced Medicaid Plan & Children's Mental Health**		

The department requests a program transfer of $1,181,600 from Children's Mental Health to Medicaid to cover the medical costs of children that are now covered in Medicaid, as provided for with passage of H43 of 2017. H43 allowed for children with family incomes up to 300% of the federal poverty limit (FPL) and diagnosed with a serious emotional disturbance (SED), to be eligible for Medicaid. Per legislative intent language in Section 4 of H313 of 2017, the department is to implement and enforce a sliding fee scale associated with these children for cost sharing. [Ongoing]

Agency Request	0.00	1,181,600	0	0	1,181,600
Governor's Recommendation	*0.00*	*1,181,600*	*0*	*0*	*1,181,600*

8. MMIS Related Staff			**Medicaid Administration and Medical Mgmt**		

The department requests 1.00 FTP and $100,400 to hire a project manager 3 position to support the conversion of the Medicaid Management Information System (MMIS) to a modular system; see line item 6 for additional information on the MMIS changes being requested by the department. The position will also support Medicaid's transition to a staged reprocurement scheduled that will assist the state when it starts to reprocure individual elements of the MMIS. Of the request $2,500 is onetime to purchase furniture, computer, and office supplies. [Ongoing and Onetime]

Analyst Comment: The department requested this position, along with 5.00 additional FTP that are unrelated to the MMIS. However, per budget development manual guidelines, Legislative Services Office separated them into individual decision units for purposes of transparency and informed decision-making. The requested positions remain in priority order and can be found in line items 8, 53, 54, and 55.

Agency Request	1.00	50,200	0	50,200	100,400
Not recommended by the Governor.					
Governor's Recommendation	*0.00*	*0*	*0*	*0*	*0*

Division of Medicaid

Analyst: Tatro

Budget by Decision Unit	FTP	General	Dedicated	Federal	Total

15. Provider-Data Software Improvements — **Medicaid Administration and Medical Mgmt**

The department requests $2,553,000 onetime for technology related upgrades and system development. This request is two-fold and includes $2,300,000 to build the capacity for Medicaid to receive electronically transmitted clinical quality measures data directly from primary care providers. This funding will also provide support for primary care providers to connect with the Idaho Health Data Exchange (IHDE). The department states that, with better data sharing and data availability, its goal of transitioning to a value-based system of care will be seamless. This request will also support the value-based purchasing efforts that were authorized with passage of H128 of 2017, which aims to support patient-centered medical homes (PCMH), reduce healthcare costs and improve healthcare quality. There is a corresponding request in supplemental appropriation 8 for $2,175,000 onetime, for the same purpose.

The second piece of the request is for $253,000 ongoing for the implementation of advanced analytics and display capabilities through a web-based Medicaid Management Information System (MMIS) portal. This technology upgrade is also intended to further the goal of transforming the state's primary care system to a PCMH and toward a value-based payment system. The web-based portal will provide more robust data to the primary care physicians that use the health data exchange and electronic records. There is a corresponding request in supplemental appropriation 8 for $366,000 onetime, for the same purpose. [Ongoing and Onetime]

Agency Request	0.00	293,300	0	2,259,700	2,553,000
Governor's Recommendation	*0.00*	*293,300*	*0*	*2,259,700*	*2,553,000*

27. Infant Toddler Early Intervention Svcs — **Enhanced Medicaid Plan & Community DD Services**

The department requests a transfer of $1,126,700 from Medicaid to the Community Developmental Disability (DD) Services Program. This transfer, in addition to other adjustments in the Community DD Program, will have a department-wide net impact of $3,100.

The purpose of the transfer is to fund the establishment of early intervention services as a defined Medicaid benefit for eligible children from birth until their third birthday. In 2012, the Children's Developmental Disability (DD) Medicaid Benefit was redesigned, which resulted in three separate eligibility processes: 1) for traditional Medicaid benefits (Enhanced Plan), 2) the Medicaid DD benefit, discussed here; and 3) Early Intervention under the Individuals with Disabilities Education Act (IDEA) program services. IDEA requires that families receive necessary services regardless of enrollment in Medicaid, which meant Medicaid-eligible families did not have to enroll in this separate Medicaid benefit. They would still receive the appropriate services, but without the department receiving the federal match from Medicaid. This created a dependence on using non-Medicaid dollars, which ultimately assisted in the creation of a waiting list in the program because the state funds were being used almost exclusively and unmatched for this benefit. This line item will help create a streamlined application process aimed at providing the appropriate developmentally delayed services to children from birth to their third birthday. The new application will be a combination of the Medicaid benefit and IDEA. Eligible children will still need to enroll in traditional Medicaid regardless of this benefit; there are different services and eligibility requirements for traditional Medicaid kids than with the enhanced DD benefit in the Infant Toddler Program. This request would simplify portions of the enrollment process for families by taking three applications and combining them into two applications: 1) traditional Medicaid and 2) Infant Toddler learning-delay benefits (both Medicaid and IDEA). [Ongoing]

Agency Request	0.00	(321,100)	0	(805,600)	(1,126,700)
Governor's Recommendation	*0.00*	*(321,100)*	*0*	*(805,600)*	*(1,126,700)*

Division of Medicaid

Analyst: Tatro

Budget by Decision Unit	FTP	General	Dedicated	Federal	Total
33. Provider Enrollment Changes			**Medicaid Administration and Medical Mgmt**		

The department requests $2,892,000 in onetime operating expenditures for continued work on required Medicaid Management Information System (MMIS) enhancements. These enhancements are intended to improve the provider screening and enrollment process as required under 42 CFR Part 455 Subpart E, and 42 CFR Part 455.410. This request will enable the division to require all moderate and high risk providers, including business owners (someone who own 5% or more of a related business) to undergo fingerprinting and criminal history background checks. Currently, the background check and fingerprinting only extends to the direct care staff. Medicaid is allowed to use approved background checks from a provider that is enrolled in another state or is also a Medicare provider; the department is relying heavily on these options at this time. All other applications are done by paper, scanned into a file, and checked as time and resources allow. This request would create an electronic web-portal for the application process. Medicaid, in partnership with the Criminal History Unit, will conduct the background checks and fingerprinting, and results will be shared with Medicaid for analysis and reporting. Medicaid will use those results to determine if the company is fit to bill for Medicaid, if not Medicaid will work with the company on any issues. This request is for new services, and Medicaid will work with relevant contractors, primarily Molina, to develop appropriate forms, processes, and training for staff (both state and contract), to ensure the Medicaid system remains in compliance with the Centers for Medicare and Medicaid Services (CMS) and the aforementioned federal regulations. Finally, this request will allow for changes to other electronic reporting fields to ensure all necessary data is collected from providers. Overall, this request aims to improve the provider enrollment process and ensure safeguards are in place to minimize fraud and abuse. [Onetime]

Agency Request	0.00	289,200	0	2,602,800	2,892,000
Governor's Recommendation	*0.00*	*289,200*	*0*	*2,602,800*	*2,892,000*

38. Children's DDA Rate Change				**Enhanced Medicaid Plan**	

The department requests $2,000,000 in ongoing trustee and benefit payments to increase the provider rate for community-based developmental disability habilitative intervention and habilitative support services. The department conducted a cost survey in compliance with IDAPA rule 16.03.10.666.02, which directs the department to conduct a cost survey every five years. This request is a rough estimate for this service and was based on similar surveys. The department anticipates the increase to be about 5%. The service array for these providers includes the following: individual and group habilitative support and intervention services, individual and group family education services, individual and group respite services, therapeutic consultation services, and crisis intervention services. The average cost per day for a community-based participant is $28. In comparison, the average cost per day in an intermediate care facility for an intellectually disabled individual is about $250. [Ongoing]

Agency Request	0.00	577,200	0	1,422,800	2,000,000
Not recommended by the Governor.					
Governor's Recommendation	*0.00*	*0*	*0*	*0*	*0*

39. Asst Living Facility - Personal Care Svcs				**Enhanced Medicaid Plan**	

The department requests $5,202,500 in ongoing trustee and benefit payments to provide a rate increase for personal care services (PCS) that are delivered in an assisted living facility (ALF). This request is an estimate and is based on preliminary cost survey results. The cost survey was conducted in accordance with IDAPA rule 16.03.10.037. There is a similar request in supplemental appropriation 7 for agencies that provide these services in the community. The department notes that there is $1,497,500 in the FY 2019 Base, however, that is the same amount that is noted for the community-based providers. Assisted living facilities provide personal care services to about 3,100 adult-aged or disabled participants, and these services are provided at one of 281 ALFs throughout the state. Personal care services are when staff are directly assisting the individual with the desired service such as toileting, dressing, meal preparation, or cleaning. In comparison, supported living is more instructional based and the staff are teaching/assisting the individual with how to accomplish various personal needs tasks. [Ongoing]

Agency Request	0.00	1,501,400	0	3,701,100	5,202,500
Not recommended by the Governor.					
Governor's Recommendation	*0.00*	*0*	*0*	*0*	*0*

Division of Medicaid

Analyst: Tatro

Budget by Decision Unit	FTP	General	Dedicated	Federal	Total

45. External Quality Review — **Medicaid Administration and Medical Mgmt**

The department requests $480,000 in ongoing operating expenditures to cover the costs of an external quality review of the department's managed care contracts. External quality reviews are required by the federal Centers for Medicare and Medicaid Services (CMS) for all managed care contracts in 42 CFR 438.350. This request is to contract for external quality reviews of the department's managed care contracts for behavioral health services, dental services, and Medicare-Medicaid Coordinated Plan services for participants who are dually eligible. This request will support contract monitoring, quality assurance, and quality improvement efforts for Idaho's managed care programs. In FY 2016, the department requested and the Legislature appropriated $100,000 ongoing for external quality reviews, as they were required by federal regulations. The department now indicates that the appropriation was for independent assessments, which is noted as a lower level of external review. This request is for a more stringent review process than was approved in FY 2016. However, the appropriated funds are for the same purpose. [Ongoing]

Agency Request	0.00	240,000	0	240,000	480,000
Not recommended by the Governor.					
Governor's Recommendation	*0.00*	*0*	*0*	*0*	*0*

48. Estate Recovery New Staff — **Medicaid Administration and Medical Mgmt**

The department requests 2.00 FTP and a net increase of $36,400 to hire two additional staff in the Medicaid Estate Recovery Program. Within the request is an object transfer of $61,700 from operating expenditures to personnel costs. The Medicaid Estate Recovery Program recoups funds from an eligible Medicaid participant's estate after the participant passes away. The "clock" for estate recovery starts when the participant reaches the age of 55. The program recovers about 2-3% of what was paid out in eligible claims. There is a five-year look back period for asset handlings and ownership. The program reviews each case to determine if the case is cost effective to pursue for recovery. The program primarily focuses on the more valuable assets (i.e., houses, bank accounts, land, trusts, etc.). The federal government provides a framework to states on how the program is to operate, but allows each state flexibility with the implementation. The application for Medical Assistance Services states: "If I receive Medicaid after age 55, my estate may be subject to recovery of medical expenses paid on my behalf, and that any transfer of assets may be set aside by a court if I do not receive adequate value."

In 2017, the Estate Recovery Program collected $11,463,600, which was then used as a cost offset for additional trustee and benefit payments, saving the General Fund $3,273,800. To collect the $11.5 million, the Medicaid program spent $395,400. Further, the department estimates that taxpayers are paying about $200,000 more each month by not having a comparable estate recovery position. [Ongoing]

Agency Request	2.00	18,200	0	18,200	36,400
Not recommended by the Governor.					
Governor's Recommendation	*0.00*	*0*	*0*	*0*	*0*

53. Contract Manager Staff — **Medicaid Administration and Medical Mgmt**

The department requests 1.00 FTP and $172,300 to hire a medical program specialist for contract monitoring activities for value-based purchasing for Regional Care Organizations (RCO). In accordance with Section 56-265, Idaho Code, all expenditures related to this request and value-based payment strategies are to be fully offset by decreases in trustee and benefit payments. Of the request, $2,500 is onetime to purchase furniture, computer, and office supplies, and $100,000 is onetime for outreach activities for communications related to value-based purchasing efforts. [Ongoing and One-time]

Analyst Comment: The department requested this position, along with 5.00 additional FTP that are unrelated to contract management. However, per budget development manual guidelines, Legislative Services Office separated them into individual decision units for purposes of transparency and informed decision-making. The requested positions remain in priority order and can be found in line items 8, 53, 54, and 55.

Agency Request	1.00	46,100	0	126,200	172,300
Not recommended by the Governor.					
Governor's Recommendation	*0.00*	*0*	*0*	*0*	*0*

Division of Medicaid

Analyst: Tatro

Budget by Decision Unit	FTP	General	Dedicated	Federal	Total
54. Data and Financial Management Staff			**Medicaid Administration and Medical Mgmt**		

The department requests 2.00 FTP and $144,600 to hire two positions to support data and financial needs. The first position is a financial management senior, which will support financial forecasting and modeling for the Medicaid budget. The second position is for a research analyst senior, which will support program analysis for Medicaid value-based purchasing initiatives. Of the request, $5,000 is onetime to purchase furniture, computer, and office supplies. [Ongoing and One-time]

Analyst Comment: The department requested this position, along with 4.00 additional FTP that are unrelated to data and financial needs. However, per budget development manual guidelines, Legislative Services Office separated them into individual decision units for purposes of transparency and informed decision-making. The requested positions remain in priority order and can be found in line items 8, 53, 54, and 55.

Agency Request	2.00	72,300	0	72,300	144,600
Not recommended by the Governor.					
Governor's Recommendation	*0.00*	*0*	*0*	*0*	*0*

55. Jeff D Settlement Related Staff			**Medicaid Administration and Medical Mgmt**		

The department requests 2.00 FTP and $172,900 to hire two additional staff for purposes related to the Jeff D. Settlement. These positions would be limited-service positions and needed through FY 2020. These positions include a project manager 2 and a medical alternative care coordinator. The department further states that it needs additional structured project management and policy support, or it may run the risk of non-compliance and future litigation. [Ongoing and One-time]

Analyst Comment: The department did not provide specific information on the duties of these positions other than the work needed to implement the Jeff D. Settlement, which involves automated system changes and contracting efforts. Further, the department requested this position, along with 4.00 additional FTP that are unrelated to the Jeff D. Settlement. However, per budget development manual guidelines, Legislative Services Office separated them into individual decision units for purposes of transparency and informed decision-making. The requested positions remain in priority order and can be found in line items 8, 53, 54, and 55.

Agency Request	2.00	86,500	0	86,400	172,900
Not recommended by the Governor.					
Governor's Recommendation	*0.00*	*0*	*0*	*0*	*0*

FY 2019 Total					
Agency Request	228.00	614,861,700	303,070,300	1,630,633,800	2,548,565,800
Governor's Recommendation	*220.00*	*600,967,600*	*314,499,000*	*1,625,098,700*	*2,540,565,300*
Agency Request					
Change from Original App	12.00	82,957,800	(25,000,000)	205,299,400	263,257,200
% Change from Original App	5.6%	15.6%	(7.6%)	14.4%	11.5%
Governor's Recommendation					
Change from Original App	*4.00*	*69,063,700*	*(13,571,300)*	*199,764,300*	*255,256,700*
% Change from Original App	*1.9%*	*13.0%*	*(4.1%)*	*14.0%*	*11.2%*